

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address

FOR COURT USE ONLY

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

In re:

Sanoho Development LLC

CASE NO.: 2:14-bk-25908-BB

CHAPTER: 7

NOTICE OF SALE OF ESTATE PROPERTY

Debtor(s).

Sale Date: 12/17/2014

Time: 10:00 am

Location: US Bankruptcy Court, 255 E. Temple St., Los Angeles, CA, Courtroom 1475

Last date to file objections: 12/03/2014

14 unit condominium development located at 11312 Huston Street, North Hollywood, California 91601, APN 2353-023-048, 2353-023-049, 2353-023-052, 2353-023-053, 2353-023-058, 2353-023-059, 2353-023-055, 2352-023-056, 2353-023-050, 2353-023-060, 2353-023-047, 2353-023-054, 2353-023-051, 2353-023-057

Purchase price of \$6,250,100.00, non-contingent except for Bankruptcy Court approval. Sale to close on or before 12/31/2014. See also attached.

Proposed sale price: \$ 6,250,100.00

Overbid procedure (if any):

Sale is subject to overbid at the hearing on the sale. Initial overbid to be \$6,300,000.00, with subsequent overbids at \$25,000 each. Bidders to be pre-qualified by Trustee beforehand. See also attached.

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Sale is subject to current valid liens.

Hearing is as indicated on previous page.

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Robert M. Aronson, 444 S. Flower Street, Suite 1700, Los Angeles, CA 90071, Tel.: (213)688-8945, Fax: (213) 688-8948, Email: robert@aronsonlawgroup.com

Wesley H. Avery, 28005 Smyth Drive, Suite 117, Valencia, CA 91355, Tel.: (661) 295-4674, Email: jmoattrustee@gmail.com

Date: 11/26/2014

ATTACHMENT TO NOTICE OF SALE

The Property is a 14 unit condominium building located in North Hollywood, California. Title is held by Sanoho Development Corp. The Property has been marketed through Marcus and Millichap and has received an offer on the Property which the Trustee has accepted subject to overbid and subject to Court approval. By the date of the hearing, the Property will have been marketed for approximately four months. The Broker believes that the price obtained represents the highest and best price that can be achieved in the market.

Ginger Investors LLC and/or nominee, the proposed buyer (hereafter the "Buyer") executed an agreement titled Purchase Agreement dated August 18, 2014 (hereafter the "Purchase Agreement") and incorporated herein by this reference, whereby the Buyer agreed to purchase the Property for \$6,250,100.00, subject to overbid and Court approval.

The Trustee is asking to sell the Property "as is" and *not* free and clear of any legitimate liens. Liens and costs of sale, including anticipated fees of the Trustee and his professionals are approximately \$6.1 million. Unsecured creditors are owed approximately \$18,000. Thus, it is anticipated that there will be sufficient funds available from the sale to cover all debts of this Estate.

PROPOSED BIDDING PROCEDURES.

In order to participate at the auction (hereafter the "Auction"), which will be conducted at the Sale Hearing, and be deemed a "Qualified Bidder," each potential bidder must deliver to the Trustee, no later than 5:00 p.m. pacific standard time five business days before the hearing hereon:

OVERBID. To qualify as a bidder, an interested party must agree to the terms and conditions of the Purchase Agreement with a purchase price of no less than Six Million Three Hundred and Thousand Dollars (\$6,300,000.00) ("the "Minimum Overbid") and contain no contingencies other than those contained in this Motion.

DEPOSIT. The proposed bidder shall tender to the Trustee, in good funds (made by cashier's check or wire transfer), the sum of Two Hundred Thousand Dollars (\$200,000.00), which shall be held by the Trustee in an interest bearing account as a deposit against the total purchase price. The Deposit is refundable only if the Qualified Bidder is not the Successful Bidder at the Auction or if the Qualified Bidder is the Successful Bidder at the Auction but the sale could not be consummated because (1) a Default by the Trustee; or (2) the failure of a condition to the Qualified Bidder's obligation to perform or close. In the event that the proposed bidder is the Successful Bidder at the Auction, described below, the deposit shall be applied against the purchase price. If the Successful Bidder does not close the sale for any reason, other than the Trustee's failure to perform, the Deposit shall be forfeited. All deposits, other than those of the highest and best bidder, and the Back-Up Bidder (see below) shall be returned within five (5) business days of the Sale Hearing. The highest bidder's deposit will be applied to the total purchase price. The Back-Up Bidder's deposit will be held until the earlier of: (a) the close of escrow of the sale to the highest bidder; or (b) 60 days following the Sale Hearing. If, however, the highest bidder fails to close the Sale, then the Back-Up Bidder's deposit shall be applied towards the Back-Up Bidder's purchase price obligation pursuant to the Back-Up Bid.

FINANCIAL QUALIFICATION. The prospective bidder also shall be required to provide the Trustee with evidence of his/hers/its financial ability to close the transaction and containing such financial information and other information that will

allow the Trustee to make a reasonable determination, in his sole and independent discretion, as to the Qualified Bidder's financial ability to close the transaction.

NO CHALLENGE OF OTHER BIDDER'S QUALIFICATION. Qualified Bidder status shall be determined by the Trustee in his sole and independent discretion and Qualified Bidders shall not have standing to challenge another prospective bidder's compliance with these qualification requirements.

SALE HEARING. In accordance with the Purchase Agreement, the Trustee filed this Motion. The Sale Hearing and Auction shall be conducted on December 17, 2014. The Trustee proposes that the auction be conducted at the Sale Hearing. After the bidding is concluded, the Trustee will request that the Court approve the sale of the Property to the highest and best bidder. During the Sale Hearing, the Trustee will advise the Court whether any qualifying overbids were received. If there are any qualified overbidders, bidding will commence in open court, and will end at such time as the final highest and best bid is received.

AUCTION SALE PROCEDURES.

The Auction Sale shall be governed by the following procedures.

1. Only the Buyer and the Qualified Bidders shall be entitled to make any bids at the auction sale.

2. The Buyer and the Qualified Bidders shall appear in person at the Sale Hearing, or through a duly authorized representative.

3. As described above, the Minimum Overbid shall be valued to be at least \$6,300,000.00.

4. Qualified Bidders and the Buyer may then submit successive bids in minimum increments of at least \$25,000.00.

5. The Auction shall continue until there is only one offer for the Property that the Trustee determines in his sole and independent discretion, subject to Court approval, is the highest and best bid (hereafter the "Successful Bid"). In making his decision, the Trustee shall consider, without limitation, the amount of the purchase price, the form of consideration being offered, the net cash proceeds to be received by the Estate, the likelihood of the bidder's ability to close a transaction and perform thereunder, and the timing thereof. Neither the Buyer nor any Qualified Bidder shall have standing to challenge or raise arguments concerning the relative value or certainty of a completing bid. The Qualified Bidder submitting such Successful Bid shall become the "Successful Bidder" and shall have such rights and responsibilities of the purchaser, as set forth in the Purchase Agreement.

6. Any Qualified Bidder's bid or the Successful Bid is irrevocable until the closing of the Sale.

7. The Successful Bid shall be subject to Court approval.

8. **Back-Up Bidder.** The second highest bidder may be designated as the "Back-Up Bidder," and the second highest bid shall be designated as the "Back-Up Bid." If the Successful Bidder fails to consummate the sale within the time period provided in the Purchase Agreement because of a breach or a failure to perform on the part of the Successful Bidder, the Back-Up Bid will be deemed to be the new Successful Bid and the Trustee will be authorized to consummate the sale with the Back-Up Bidder without further order of the Bankruptcy Court. In such case, the defaulting Successful Bidder's deposit shall be forfeited to the Trustee and the Trustee specifically reserves the right to seek all available damages against the defaulting Successful Bidder. The Back-Up Bidder shall be required to close the sale by the earlier of (a) 30 calendar days from the expiration of the deadline for the Successful Bidder to close the sale; or (b) 30 calendar days from

1 the date that the Successful Bidder informs the Trustee in writing or it is confirmed in writing by
2 the Trustee, that it will not close the Sale.

3 ***THE SALE IS SUBJECT TO THE LEGITIMATE LIENS OF THE ESTATE***

4 The Trustee and his counsel have further reviewed the Purchase Agreement, the liens against
5 the Property, the viability of the Buyer under the Purchase Agreement, and have determined that
6 there is sufficient equity in the Property above all legitimate liens and costs of sale to justify
7 proceeding with the sale of the Property for the benefit of the Estate under 11 U.S.C. § 363.

8 Specifically, and without limitation, the Trustee has been provided with an estimated closing
9 statement ("Closing Statement") from Caliber Escrow, Inc. where the Purchase Agreement is now in
10 escrow. Based on the Closing Statement, a total of \$7,064,125.53 is required in order to close the
11 sale. This figure includes anticipated Trustee's and professional fees of \$250,000.00.

12 However, two of the liens indicated on the Closing Statement, one in the amount of \$750,000
13 and one in the amount of \$170,000.00 owing to Richard Hart are believed to be false, or in any
14 event, have been assigned to the principal of the Debtor, who has testified under oath that such liens
15 will be reconveyed for no consideration.

16 After deducting the released liens of Richard Hart in the amount of \$920,000.00 from the
17 total of \$7,064,125.53, the sum of \$6,144,125.50 remains. The Trustee is further informed that the
18 lien in favor of Alona Harris may also be without any basis. Thus, the amount needed to close the
19 sale may actually be closer to \$6,000,000, leaving \$250,000 available for the unsecured creditors of
20 the Estate after all costs of sale and all valid liens have been paid. The Trustee is further informed by
21 the potential brokers for the sale that overbids may be received at the time of sale, thus increasing
22 any surplus received by the Estate. On November 17, 2014, the Debtor filed an amended Schedule F
23 showing total unsecured debt of \$17,942.00. Thus, the sale of the Property will net sufficient
24 proceeds to pay all creditors in full.

25 ***TIME IS OF THE ESSENCE***

26 The Buyer is in the midst of a 1031 tax deferred exchange which must be completed by
27 December 31, 2014. If the sale does not close by December 31, 2014, the Buyer will be subject to a
28 high tax penalty. Accordingly, the sale must close before that date. Moreover, the Property is
subject to a motion for relief from stay by secured creditor Symphony, for which a hearing is now
scheduled for December 3, 2014. The sale should be consummated at the earliest possible date to
terminate the fees, costs and threat of foreclosure that this motion for relief creates.

THE COURT SHOULD APPROVE THE EMPLOYMENT OF THE BROKER.

The Trustee by this Motion also seeks to employ Filip Niculete and Eddy Nevarez of Marcus
& Millichap, a real estate broker licensed by the California Department of Real Estate ("Broker") on
a nunc pro tunc basis to October 17, 2014 (the date of the conversion of this case) to market and sell
the Property. In support of this Motion, the Trustee represents as follows. The Property was
previously listed for sale by the Debtor through the Broker. The total broker commission in this
transaction is 4% of the sale price.

RELIEF SOUGHT

Based on the grounds stated herein and based on the Avery Declaration and the Niculete
Declaration, the Trustee respectfully requests that the Court enter an order granting the Motion and
order specifically as follows.

1. Finding that notice and opportunity for hearing given in connection with this Motion
were adequate and proper under the Bankruptcy Rules and the Local Bankruptcy Rules for the
Central District of California.

2. Finding that the Motion is a "core proceeding" within the meaning of 28 U.S.C. §
157(b)(2)(A), (M), (N), and (O), and that any order granting the Motion will be final within the
meaning of 28 U.S.C. §158(a)(1);

3. Approving the Bidding Procedures;
4. Approving the Sale of the Property for at least \$6,250,100.00 to the Buyer, or to a qualified overbidder on an "as is" basis without any warranties, expressed or implied, and without any contingencies;
5. Finding that the terms of the Sale are fair and reasonable and that the Sale is in the best interests of the Estate and its creditors;
6. Authorizing the employment of the Broker;
7. Authorizing the payment of the joint commission of 4% to the Broker for the Buyer and Sellers;
8. Finding that the Buyer or any winning overbidder is a good faith purchaser pursuant to §363(m) of the United States Bankruptcy Code.
9. Approving the Purchase Agreement; and
10. Granting such further relief as may be just and appropriate under the circumstances of this case.

PLEASE TAKE NOTICE that any party seeking a copy of the complete Motion may obtain same from the United States Bankruptcy Court, Central District of California.

PLEASE TAKE FURTHER NOTICE that any objection or opposition to the above-captioned motion shall be filed and served no later than December 3, 2014 pursuant to Local Bankruptcy Rule 9013-1. Objections or oppositions not filed and served as set forth above may be deemed waived.

Dated: November 26, 2014

LAW OFFICE OF ROBERT M. ARONSON

/s/ Robert M. Aronson
Robert M. Aronson, [Proposed] Attorney for
Wesley H. Avery, Chapter 7 Trustee

In re:
SANOHO DEVELOPMENT, LLC

Debtor(s).

CHAPTER: 7

CASE NUMBER: 2:14-bk-25908-BB

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

444 S. Flower Street
Suite 1700
Los Angeles, CA 90071

A true and correct copy of the foregoing document entitled (specify): NOTICE OF SALE OF ESTATE PROPERTY will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On 11/26/2014, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Wesley H Avery - (TR) - wamiracle6@yahoo.com

Courtesy NEF - Brian A. Paino - bpaino@mcglinchey.com

Sanoho Development - Bryan Diaz Law, APC - bryan@bryandiazlaw.onmicrosoft.com

Symphony Asset Pool XXIII, LLC - Andrew Haley - ahaley@gpfirm.com; Andrew S. Pauly - apauly@gpfirm.com

United States Trustee - (LA) - ustpreion16.la.ecf@usdoj.gov

Timothy Yoo (TR) - tjytrustee@lnbrb.com

Ron Maroko - Representing U.S. Trustee - ron.maroko@usdoj.gov

Ron Bender - Levene, Neale, Bender, Yoo & Brill L.L.P. - rb@lnbyb.com

☐ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL:**

On 11/26/2014, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

United States Trustee
915 Wilshire Boulevard, Suite 1850
Los Angeles, California 90017

Honorable Judge Sheri Bluebond
USBC - Central District
255 E. Temple Street, Suite 1482/Courtroom 1475
Los Angeles, CA 90012

☒ Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

November 26, 2014 Evelyn Cruz
Date Printed Name

/s/ Evelyn Cruz
Signature

In re: SANOHO DEVELOPMENT, LLC Debtor(s).	CHAPTER: 7 CASE NUMBER: 2:14-bk-25908-BB
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SERVICE LIST CONTINUED:

2. SERVED BY UNITED STATES MAIL:

Debtor:

Sanoho Development, LLC
3345 Wilshire Boulevard, Suite 801
Los Angeles, CA 90010

Creditors/Interested Parties:

Alona Harris
1000 Business Center Drive
Thousand Oaks, CA 91320

Bryan Diaz Law A.P.C.
701 E. Santa Clare Street
Ventura, CA 93001

Superior Court of Los Angeles,
North Central District
Attn: Clerk
300 East Olive
Burbank, CA 91502

Symphony Assets Pool XXL LLC
5505 Cancha De Golf
Rancho Santa Fe, CA 92091

Ethan Teitler
c/o Law Offices of Frerick H. Stern
16830 Ventura Boulevard, Suite 500
Encino, CA 91436

Lynn Metrow
5737 Kanan Road
Agoura Hills, CA 91301

TRE Elevator
11333 Chandler Road
North Hollywood, CA 91601

Greenwald Pauly & Miller
Attn: Andrew Haley
1299 Ocean Avenue, Suite 400
Santa Monica, CA 90401

Menchaca & Company LLP
835 Wilshire Boulevard, Suite 300
Los Angeles, CA 90017-2655

Wines, Coe & Karapova, Dygert
11312 Huston Street
North Hollywood, CA 91601-4412

Richard Hart
969 Edgewater Boulevard #139
Foster City, CA 94404-3760

Kevin and Loredana Cardwell
221 Voorhees Avenue #B
Redondo Beach, CA 90278-2423

Internal Revenue Services
PO Box 7346
Philadelphia, PA 19101-7346

Los Angeles County Tax Collector
PO Box 54110
Los Angeles, CA 90054-0010

Athena Sterig
636 Avondale Drive
Corona, CA 92879

Blake & Bryan Izabel
4444 Ensign Avenue, Suite 103
Toluca Lake, CA 91602

Doug Vanni & Max Eli
1240 Yale Street, Suite 206
Santa Monica, CA 90404

Frank & Nicole Tortorici
10952 Kittridge Street
North Hollywood, CA 91606

Randy Lee
11312 Huston Street
North Hollywood, CA 91601

In re:
SANOHO DEVELOPMENT, LLC

Debtor(s).

CHAPTER: **7**

CASE NUMBER: **2:14-bk-25908-BB**

Nir Teitler
5614 Cedros Avenue
Van Nuys, CA 91411

California TD Specialists
8190 East Kaiser Boulevard
Anaheim Hills, CA 92808

Kathleen Lance
The Community Redevelopment Agency
of the City of Los Angeles
354 South Spring
Suite 800
Los Angeles, CA 90013
Attention: Myla Wasdin

Ginger Investors, LLC
Attn: Vahe Vartanian
18934 Carmel Crest Drive
Tarzana, CA 91356

Marcus & Millichap Real Estate Investments Services
16830 Ventura Blvd., Suite 100
Encino, CA 91436

Caliber Escrow
20812 Ventura Blvd., Suite 102
Woodland Hills, CA 91364